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BILL ANALYSIS



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House Bill 4862 (Substitute S-1 as reported)
House Bill 4863 (Substitute H-2 as reported without amendment)
Sponsor: Representative Earl Poleski
House Committee: Health Policy
Senate Committee: Appropriations

CONTENT

Over the past few years there have been attempts to change the relationship of substance abuse coordinating agencies (CAs) and Community Mental Health Services Programs (CMHSPs). There are 16 CAs and 46 CMHSPs in the State. Half of the CAs are CMHSPs.

Because of the existence of co-occurring disorders and other similarities in the populations, there has been interest in making all the CAs part of the CMHSP system. As is the case with any proposed change, there are obstacles, in particular philosophical and geographic. Outstate CAs and CMHSPs cover multiple counties, but the CAs and CMHSPs do not have similar boundaries allowing CAs to be tied easily to CMHSPs.

House Bill 4862 (S-1) would amend the Mental Health Code to effectively bring the CAs under the control of the CMHSPs. Many of the changes in the bill are technical, as CAs are described in the Public Health Code and CMHSPs are described in the Mental Health Code. Thus, numerous sections of the Public Health Code addressing substance abuse coordinating agencies are copied line-for-line into the Mental Health Code, as Chapter 2A of that code.

The central provision of the bill is a new Section 210(2), which would require a Department-designated CMHSP to coordinate substance use disorder services in its region. The use of the term "department-designated" is meant to limit the number of CMHSPs that would coordinate substance use disorder services, as going from 16 coordinating agencies to 46 could be inefficient. In effect, this section means that no non-CMHSP entities could serve as substance abuse coordinating agencies.

Section 287 would direct the Department-designated CMHSPs to include representatives of mental health, developmental or intellectual disabilities, and substance use disorder services, and require that funding dedicated to substance use disorders not be diverted to other services. The section would require existing contractual substance use disorder providers to continue to be contracted with for two years and would allow local public health departments that serve as CAs to carry out that function for two years.

An oversight policy board would have to be established in each Department-designated CMHSP with at least one board member from each county to oversee substance use disorder services. That board's responsibilities would include approval of Medicaid substance use disorder budgets in the region and the ability to offer advice and recommendations on substance use disorder contracts.

Section 287 also would require a report to the House and Senate Appropriations Subcommittees on the Department of Community Health on the redistricting of regions.

The effective date of the transfer of responsibilities to the Department-designated CMHSPs would be not later than October 1, 2014.

The bill is tie-barred to House Bill 4863.

House Bill 4863 (H-2) would amend the Public Health Code to reflect the changes in substance abuse services after the transfer of the governing language to the Mental Health Code.

The bill is tie-barred to House Bill 4862.

MCL 330.1100a et al. (H.B. 4862)

MCL 333.6233 et al. (H.B. 4863)

FISCAL IMPACT

There is no specific fiscal impact tied to the legislation. There is a belief among some advocates that the changes would result in greater efficiencies and reduced administrative costs. This is certainly a possibility and perhaps even a likelihood, but there is no specific history that would allow for an estimate of the savings. It should be noted that administrative costs for substance use disorder services are well under 10.0% of total costs of roughly \$130.0 million, so any savings would be minor in comparison to the over \$2.5 billion CMHSP budget. Assuming better coordination of care, one could also project savings in terms of treatment costs, but again those savings are difficult to quantify.

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